~~SECRET~~

INTELLIGENCE MEMORANDUM

CROP CONDITIONS IN THE SINO-SOVIET BLOC 1955

CIA/RR IM-416

10 November 1955

WARNING

THIS MATERIAL CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE LAWS, TITLE 18, USC, SECS. 793 AND 794, THE TRANSMISSION OR REVELATION OF WHICH IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW.

CENTRAL INTELLIGENCE AGENCY

Office of Research and Reports

~~SECRET~~

FOREWORD

This memorandum on the condition of growing crops in the Sino-Soviet Bloc is based on an analysis of weather data and other factors affecting crop yields in the Bloc. As a qualitative statement, it reflects in a general way the prospects for the food supply of the Bloc for the consumption year 1 July 1955 through 30 June 1956. Quantitative estimates of production, based on acreage as well as yield, will be made in a later report. The general conclusions presented in this memorandum are indicative of the field-crop potential of the USSR, Communist China, and North Vietnam as of mid-August 1955 and of the European Satellites as of mid-September 1955.

CONTENTS

		Page
Summary		1
I.	USSR	2
II.	European Satellites	6
	A. Albania	7
	B. Bulgaria	8
	C. Czechoslovakia	9
	D. East Germany	10
	E. Hungary	11
	F. Poland	12
	G. Rumania	13
III.	Communist China	14
IV.	North Vietnam	16
Appendix		
Source References		19

CIA/RR IM-416
(ORR Project 21.856)

S-E-C-R-E-T

CROP CONDITIONS IN THE SINO-SOVIET BLOC*
1955

Summary

Crop prospects in the Sino-Soviet Bloc indicate that agricultural production in the Bloc in 1955 will rise substantially above the mediocre levels of 1954. It appears likely that total agricultural production in the USSR will be greater than it has been in any postwar year and that over-all production in the European Satellites and Communist China will be measurably higher than the below-normal production of 1954. Only in North Vietnam will harvests in 1955 fall below those of 1954.

Favorable weather in much of the agricultural area of the European USSR, the new acreages of grain crops in West Siberia and Kazakhstan, and a probable increase in production from expanded corn acreages will raise total production of crops in the USSR above that of 1952, the best previous postwar harvest year. In terms of annual averages, the production of crops in the European Satellites will be only fair, but it will be definitely better than the below-normal production of 1954. In Communist China, favorable weather during most of 1955 and a modest increase in rice acreage will result in a total crop production greater than that of 1954, a year during which severe floods caused a serious drop in agricultural production. In North Vietnam there have been droughts in the north and floods in the lowlands, and the fourth consecutive annual crop failure seems imminent.

In the Sino-Soviet Bloc as a whole, the per capita availability of food during the consumption year 1 July 1955 through 30 June 1956 will be greater than in the 1954-55 consumption year. The improvement is largely the result of more favorable weather, however, and there is no indication that the agricultural economy of the Sino-Soviet Bloc has found a satisfactory solution to the perennial problem of a fluctuating food supply.

---

* The estimates and conclusions contained in this memorandum represent the best judgment of ORR as of 1 October 1955.

I. USSR.

On the basis of weather and crop information available as of mid-August 1955, it is expected that total crop production in the USSR in 1955 will be greater than in 1954. The anticipated increase is the result of favorable weather in much of the important crop area of the European USSR and of expanded acreage, primarily in the "new lands" area of West Siberia and Kazakhstan.

Total production of grain in 1955 probably will exceed the post-war high reached in 1952. The outlook for a good grain harvest is based on several factors.

First, good harvests were reported this year in the important grain areas of the Ukraine and the North Caucasus. References in the Soviet press indicate that yields this year will compare favorably with the excellent 1952 harvest.

Second, the acreage of wheat in 1955 has been increased by almost 25 percent over the 1954 acreage. This expansion occurred in the "new lands" area of West Siberia and Kazakhstan. Despite the low wheat yields caused by the drought in this area in 1955, overall production probably will exceed the bumper harvest on a smaller acreage in 1954.

Finally, the acreage of corn has been increased fourfold over that of 1954. Some of this increase, however, has been at the expense of other feed grains, such as barley and oats. Much of the corn will be harvested in an immature stage and will be processed as silage.*

The sugar-beet crop, largely concentrated in the Ukraine and neighboring parts of the central black soil belt, is expected to be much better than it was in 1954, when summer drought sharply reduced the yield of sugar beets. In addition, there has been an increase in acreage of more than 10 percent.

* It appears certain that immature corn is to be included in the Soviet total grain figure, but the rate of conversion from immature corn to dry grain that the Russians will employ in this accounting is unknown. Such conversion is necessary to prevent an astronomical inflation of the total grain production figure. In the US, immature ears of corn processed as silage are accounted for as grain, after making an allowance for water content.

The outlook for the production of potatoes in 1955 is also favorable. Because of generally good weather throughout the European USSR, and a 4-percent increase in acreage, the potato crop in 1955 is likely to be better than that of 1954. It should be noted, however, that weather conditions during the fall harvesting season have a decisive effect on the production of both potatoes and sugar beets.

Assuming normal harvesting conditions, little change is expected in the production of cotton in 1955 compared with that of 1954, which was a fairly good year. Much of the cotton crop in Central Asia was adversely affected by cold weather in the spring of 1955, and in some areas considerable replanting was necessary. Reports from various regions have indicated danger from insect pests, and as late as early August a provincial newspaper reported continuing insect-pest damage in Uzbek SSR. On the other hand, members of the US agricultural delegation who inspected several cotton fields near Tashkent in Uzbek SSR, a republic which accounts for about two-thirds of the total Soviet cotton output, reported that the cotton in the fields observed was in very good condition.

On the basis of preliminary estimates of crop conditions, prospects appear favorable for a rise in per capita availability of food for the consumption year 1 July 1955 through 30 June 1956. There may also be some improvement in the quality of the diet. The 1955 mid-year report of plan fulfillment announced that during the 9-month period from 1 October 1954 to 1 July 1955 milk yields on collective farms were 28 percent higher than they were for the same period in 1953-54. Although the final increase in total annual production of milk, based on yields per cow, probably will be less than that indicated by this announced figure, some increase in per capita consumption of milk certainly is to be expected -- provided that the supply of fodder during the coming consumption year is adequate to maintain or increase the current indicated level of the production of milk.

Increases in the production of meat have also been reported. The success or failure in increasing the production of milk and meat is strongly dependent on the outcome of the corn program. Members of the US agricultural delegation reported that as a result of favorable weather much of the corn crop in the northern Ukraine and the North Caucasus looked good in late July. In other regions, such as the south central Ukraine, parts of the traditionally marginal Volga Valley, and the "new lands" area of West Siberia and Kazakhstan, the corn was reported to be poor. In practically all areas visited by the US delegation the soil was dry, and additional rain was necessary

to mature late crops such as corn. The substitution of corn acreage for that of other feed grains such as barley and oats makes it imperative that good returns be obtained from corn. Because of lack of machinery, much of the harvesting must be done by hand, and a critical stage occurs during the harvesting period. Corn must be ensiled at the proper time to insure against spoilage and loss of nutrients. Another critical factor is that of early frosts, which would reduce materially the feeding value of immature corn.

From a regional point of view, over-all crop prospects appear to be best in the Ukraine and the North Caucasus (Regions III and IV*). In the early fall of 1954, rainfall was light in some parts of the southern Ukraine and the north Caucasus -- a continuation of the summer drought which sharply reduced 1954 yields in this area. Winter precipitation, however, was above normal, and spring and early summer rainfall was adequate to mature the small-grain crop. The US agricultural delegation reported good grain harvest prospects in the areas visted. In the harvesting process, however, there were difficulties caused by lodging** of the grain, and undoubtedly there were some harvesting losses. In the areas visited in the Ukraine and the North Caucasus, cornfields were reported to be in generally good condition, but late summer rains were needed to mature the crop properly.

Another indication of good harvests in the Ukraine and the North Caucasus is the fact that, on 28 July, Krasnodarskiy Kray, an important wheat area of the North Caucasus, reported fulfillment of its grain delivery quota exactly 3 months earlier than in 1954. Similarly, the Ukrainian SSR reported fulfillment 3 months earlier than last year -- on 18 August 1955 compared with 12 November 1954.

In the Transcaucasus (Region V), American Embassy observers on a trip in late June reported that crop prospects were average to below average in Azerbaydzhan SSR and average in the Georgian SSR. Harvesting of small grains was under way at the time of the observations.

* The term region in this memorandum refers to the economic regions defined and numbered on CIA Map 12048.1, 9-51 (First Revision, 7-52), USSR: Economic Regions.

** The term lodging describes the condition resulting when stalks break or bend and form a tangled mass which is difficult to cut.

The Baltic republics and Belorussia (Region II) were plagued with excessive precipitation and below-normal temperatures in the spring of 1955. As a result, there were serious delays in the planting and sowing of spring crops. At a July reception for the US agricultural delegation, Lobanov, Deputy Chairman of the USSR Council of Ministers, stated that the Baltic States and Belorussia were having "crop problems due to bad weather." There are more recent indications of somewhat improved conditions, as a result of which crop prospects in these republics appear to be slightly better than they were last year, when some of this area was adversely affected by drought.

In the Central region (Region VII), crop prospects are believed to be somewhat above average but no better than they were last year. Fall and winter precipitation in most of this region was normal or above normal. In some areas of the central black soil belt (Kursk and Orel'), American Embassy observers reported severe winter kill of grains sown in the fall of 1954 for harvest in 1955. Many of these fields were being partly or entirely re-sown to spring grains. Precipitation during the spring and summer months appears to have been adequate for good crop growth. Members of the US agricultural delegation reported that in July crops along the route from Moscow to Khar'kov were in good condition.

In the lower and middle Volga Valley (Region VI), crops are expected to be better than they were in 1954, when drought conditions in some areas were officially reported. Fall and winter precipitation throughout most of the Volga region was normal or above normal. Early spring rainfall was somewhat below normal, but fairly good rainfall in May, together with accumulated soil moisture reserves, was adequate for at least an average crop for the region as a whole. Members of the US agricultural delegation reported that prospects for small grains in the Stalingrad (lower Volga) region were better than they were in 1954 but about average for the area over a period of years. In the Kuybyshev (middle Volga) region an official of the Ministry of Agriculture told the US agricultural delegation that the crops in the Kuybyshev area were slightly better than they were in 1954 but a little below the long-term average.

In the Urals region (Region VIII), crop yields will be much lower than those attained in 1954 and are also likely to be below the long-run average for that area. Fall and winter precipitation in the more important grain areas of the Urals region was slightly below normal. Spring and early summer rainfall reported by many weather stations was

only one-half to three-fourths of normal, and crop yields were adversely affected. American Embassy observers traveling through the southern part of the Urals region in June reported "dry, hot, dusty weather conditions" and crops being seriously affected.

In West Siberia (Region IX) and the northern part of Kazakhstan (Region X) -- the areas in which the "new lands" expansion is taking place -- drought conditions have sharply reduced yields of small grains. Fall and winter precipitation was generally favorable in the "new lands" area of West Siberia and Kazakhstan, but spring precipitation was below normal. May and June precipitation was particularly deficient. Western observers traveled through portions of the "new lands" area in late June and reported very dry and dusty conditions. In August, Soviet agricultural officials told the US agricultural delegation that yields in the "new lands" areas visited were averaging only one-third to one-half of those attained in 1954. At the July reception for the US agricultural delegation, Lobanov stated that "things are not going well concerning crop prospects in the 'new lands' area, but the total harvest there will be larger because of the increased acreage sown."

II. European Satellites.

Information available as of 15 September 1955 indicates that in the European Satellites taken as a whole the production of field crops in 1955 should be greater than that of 1954. From 15 June to 15 July, just before the harvest of small grains,* the weather was favorable, and prospects for production were much better than earlier estimates indicated. 1/** Although frequent rain and thunderstorms over most of Eastern Europe during the latter half of July and the first part of August complicated and delayed harvesting operations and increased the risk of high harvesting losses, the late rains improved the prospects for potatoes, sugar beets, oilseed, corn, and hay crops.

The production of grain in East Germany and Czechoslovakia will be only slightly higher than the below-normal 1954 level, but in Poland there may be a more substantial increase. The production of root crops (sugar beets and potatoes) in the northern European Satellites should equal or exceed 1954 levels, and an increase in hay crops should provide an improved livestock fodder base.

* Wheat, rye, barley, and oats.
** For serially numbered source references, see the Appendix.

The estimated increase in the production of grain is not expected to be large enough to meet the indigenous requirements of the northern European Satellites, and in 1956 they probably will continue to be net importers of grain. In general, food supplies for 1955-56 will not fulfill urban requirements -- particularly for meat, animal fats, and vegetable oils.

The present over-all prospects of agricultural production in the southern European Satellites (Albania, Bulgaria, Hungary, and Rumania) in 1955 suggest that harvests will be slightly better than the below-normal harvests of 1954.

In Rumania a substantial increase in the production of grain is expected as a result of acreage expansion and better yields than those of 1954. In Hungary, Bulgaria, and Albania there probably will be very little change in the level of production. Root crops, however, are progressing favorably in all countries except Albania, and the production of corn, sugar beets, and potatoes will exceed 1954 levels. In Albania, below-normal precipitation has prevailed since the spring, and prospects for root crops and pastures are relatively poor.

An improvement in the food supply for 1955-56 may occur in Rumania and Bulgaria, but the present outlook for crop production in Hungary and Albania indicates that little or no improvement can be expected.

On the whole, the statistical outlook for the European Satellites indicates a food supply situation slightly better than that of 1954-55. The European Satellites, however, will still be dependent on imports of meat, fats, and oils to maintain or increase per capita consumption of these commodities over 1954-55 levels. Except for Bulgaria and Rumania, moreover, the European Satellites will continue to be net importers of grain during the 1955-56 consumption year.

A. Albania.

The harvest of small grains in Albania in 1955 probably will be no larger than last year's better-than-average crop, despite a slight increase in the total sown acreage. Weather conditions are the primary cause of less favorable yields per hectare. The production of corn and root crops in 1955 is expected to be no better than average.

Although fall conditions in Albania were favorable to a good start for grain crops, a drier-than-normal spring and summer probably have retarded plant growth and undoubtedly will reduce yields. 2/ This will be especially significant for the spring-sown crops.

The below-normal precipitation in the spring and summer also will have an adverse effect on the yields of the corn, potato, and sugar beet crops. The expected decline in the production of corn, the second largest grain crop in Albania, is predicated on a decrease in the sown area and the effects of weather on yields. 3/ Although a large part of the sugar-beet area reportedly is under irrigation, a less-than-normal supply of water undoubtedly will reduce yields.

The gross agricultural output for Albania in 1955 has been planned officially to rise approximately 20 to 30 percent over that of 1954. 4/ Judging from present crop prospects, however, a relatively static level in the development of the agricultural sector is expected.

Imports of agricultural products by Albania, therefore, are expected to continue at approximately the same level as imports during the trade year 1 July 1954 through 30 June 1955, and the overall food situation does not appear to be any more favorable than it was during 1954-55.

B. Bulgaria.

The harvest of small grains in Bulgaria in 1955 is expected to be no better than the production in 1954, which was about average, despite the favorable weather in the fall of 1954 and the early planting of spring crops in 1955. Adverse weather conditions after spring planting have reduced the possibility of an excellent harvest.

A cool, wet spring, followed by below-normal rainfall during April and May, retarded plant growth. 5/ In certain areas there were untimely rains at harvest time, and harvesting losses through spoilage and shattering of grain (because of overripe heads) probably will be heavier than normal. 6/

The production of row crops -- corn, sugar beets, and potatoes -- in 1955 should equal the production in 1954 and may be better. There are indications, however, that insect damage to sugar beets has been unusually heavy and may reduce yields. 7/

Although the gross agricultural production for Bulgaria in 1955 has been planned to increase 21.7 percent over that of 1954, 8/ present indications are that only an average crop year may be expected. A slight increase in the total agricultural production, however, is predicated on the basis of a probable rise in total production of livestock and dairy products.

The export of agricultural products by Bulgaria during 1955-56 probably will show an increase over that of 1954-55. Early information suggests that Bulgaria will compete with the West for agricultural markets -- feelers have been sent to Austria stating that early deliveries are possible.

C. Czechoslovakia.

The outlook for agriculture in Czechoslovakia in 1955 indicates that over-all production, particularly of grain, may not be any better than the below-average production of 1954. Nature has once again defeated government efforts to raise the levels of production.

The failure of the agriculture campaign in the fall of 1954 to fulfill sowing and plowing plans was admitted officially by Prime Minister Siroky. An early spring in 1955 would have enabled farmers to increase the acreage of spring grains, but a late spring delayed field operations by nearly 30 days. The cold, wet weather retarded the growth of crops seeded in the fall of 1954 for harvest in 1955 and prevented the early growth of crops seeded in the spring of 1955.

The entire spring was characterized by growing conditions unfavorable for crops -- below-normal temperatures and above-normal precipitation. Between 10 June and 10 July the weather was favorable for grain development, but about 15 July, the time that small grains were ready for harvest in southern Slovakia, there were rain and hail storms which caused the grain to become lodged, and frequent rains occurred over most of Czechoslovakia during the next month. American Embassy observers reported that in Bohemia as much as 50 percent of the grain was lodged. 9/

The heavy rainfall prevented the use of heavy machinery in the fields and delayed grain harvesting past the ripening stage. Shattering of grains probably occurred on a large scale, and the harvesting of the wet grain will increase losses through spoilage. The adverse

effect of the weather on the grain harvest is well illustrated by the statement made by the Minister of Agriculture, Marek Smida, on 9 August: "The people's joy at the good harvest is being poisoned by the changeable and inclement weather at harvest time." 10/ Claims of a bountiful harvest made in July by Communist officials have been modified by a statement made by the Central Committee to the effect that "production of grain will be higher than last year." 11/ Although there may be a slight increase, depending on the extent of harvesting losses, the planned 20-percent increase in grain yields will not be achieved.

With present soil moisture reserves and normal weather conditions through early October, the production of sugar beets, potatoes, hay, and pasture should exceed the levels of 1954. The harvesting of grain will make serious demands on the agricultural labor and machinery normally required for harvesting root crops and for preparing the fall planting before winter sets in.

In 1955-56, Czechoslovakia will once again be dependent on imports for a significant share of the food requirements of the urban population. As a result of good spring and fall pastures, there may be an increase in the slaughtered weight of animals, and the production of meat in 1956 may be influenced favorably.

D. East Germany.

In East Germany the production of field crops in 1955, with the possible exception of sugar beets, may be slightly larger than the poor harvests of 1954. The mild winter and above-normal precipitation gave a good start to grain seeded in the fall of 1954 for harvest in 1955. In contrast to the high losses from winter kill in 1953-54, winter kill in 1954-55 was at a minimum. A late spring, however, retarded plant growth and prevented fulfillment of spring planting plans. In addition, shortages of spring seed grain and seed potatoes restricted the size of the sown area.

Cool, rainy weather during May and June retarded both the growth of most spring-sown crops and the maturing of fall-sown grains. Sunny weather and below-normal precipitation in July, however, was beneficial to all crops, particularly to the maturing of grains. The outlook for yields brightened to the extent that in early August it was estimated that the yield of bread grains would exceed the levels of 1954.

There have been difficulties in the harvesting of grain in East Germany. Frequent rains during August, the lifting of early and medium potatoes coincident with grain harvesting, 12/ and a consequent labor shortage have all complicated the harvesting and threshing of grain. The result has been increased losses and reduced milling quality of bread grains, but at this time there is not enough available information to permit determination of the extent of these losses. On the other hand, the rains should have benefited late potatoes, sugar beets, and pastures.

Although the potato crop in East Germany will be better than it was in 1954, the production of sugar beets may not be so large as in 1954 -- the beet crop has been attacked by an infestation of beet flies. 13/

Fall work is being delayed by the later-than-normal harvesting of late potatoes, sugar beets, and hay. As a result, the plowing and seeding of grains (wheat, rye, and barley) in the fall of 1955 for harvest in 1956 will have to be done in about one-half of the time normally available.

E. Hungary.

The crop of small grains in Hungary in 1955 is expected to be only moderately higher than last year's very poor crop. Lower-than-normal grain yields are expected because of a late spring followed by a prolonged dry spell extending into June. These conditions retarded the proper development of grain, particularly that seeded in the spring of 1955. 14/ In addition, the unseasonably cold and wet weather at harvest time and the lack of adequate storage and drying facilities undoubtedly caused larger-than-normal harvesting losses.

The late-maturing row crops, including sugar beets, potatoes, and corn, have benefited, however, from the added soil moisture during July and August. 15/ The development of these crops appears to be favorable, and indications point to a reasonably successful harvest.

In terms of gross agricultural output in Hungary, however, the prospects for the present harvest indicate that the planned 7.3-percent increase over 1954 will not be achieved. 16/ The major shortcoming is likely to be the below-average crop of small grains,

which -- in terms of value -- still represents the bulk of gross agricultural output.

On the basis of present estimates, Hungary again may be a net importer of grains during the 1955-56 trade year. With heavy imbalances and overextended credit existing because of last year's drought, the below-normal grain harvest for the present year will make it increasingly difficult for Hungary to repay its creditors and to maintain adequate supplies for internal needs.

A preliminary estimate of the food situation in Hungary for the consumption year 1 July 1955 through 30 June 1956, therefore, indicates that there will be no improvement over that of the previous year. Total consumption of grain and grain products may, however, decline somewhat, especially if imports are necessary in order to fill the gap caused by inadequate indigenous production.

F. Poland.

The production of grains and sugar beets in Poland in 1955 probably will exceed the levels of 1954, but the production of potatoes and fruit will be less. Weather during July and August was favorable to the maturing and harvesting of grain, and the outlook for the grain crop is now more promising than were earlier forecasts. 17/ The evidence indicates that the production of grain in 1955, particularly of rye, will be above the levels of 1954 and may be the best since 1949. The hot, dry weather, excellent for grain harvesting, is having an adverse effect, however, on the development of potatoes and sugar beets. 18/

Following a late, cold, rainy spring, which reduced the sown area of grain and root crops, 19/ the weather turned warm and sunny. This weather permitted small grains to mature and to be harvested with minimum loss. The dry weather* and above-normal temperatures came at a time, however, when sugar beets and potatoes require moisture. The root crops had been planted late and had not developed the extensive root system which would have protected them during the drought conditions prevailing in August.

It is probable that total production of the four major grains** in Poland will not achieve the planned goal 21/ of a 10.9-percent

* Precipitation in the main agricultural areas for July and August was estimated at 57 and 32 percent, respectively, of normal. 20/
** Wheat, rye, barley, and oats.

increase over 1955 production -- primarily because the expansion in sown acreage was not realized -- but it may achieve the planned yield-per-hectare increase for bread grains of about 7 percent.

The production of root crops and fruit in 1955 will be below the levels of 1954. The reduced production of root crops will have an adverse effect on the supply of fodder available for supporting the livestock base. Rains by 15 September may have improved prospects for sugar beets but were too late to affect potato yields materially.

G. Rumania.

The present outlook for the 1955 harvest of bread grains in Rumania indicates that production will considerably exceed last year's below-normal harvest. The production of corn and root crops will approximate or will slightly exceed levels of 1954. Favorable factors have been the 12-percent increase in the sown area of crops seeded in the fall of 1954 for harvest in 1955 (primarily wheat and rye) and the reported rapid development during the favorable weather in July and August of the spring-sown crops which had been seeded under adverse weather conditions. 22/

Harvesting losses of both spring- and fall-sown grains (wheat, rye, barley, and oats), however, may offset somewhat the reported favorable condition of crops standing in the field. Heavy and prolonged rains fell during the peak period of harvests, delaying operations and causing some damage to crops in the field. 23/ Heavier-than-normal losses are anticipated as a result of probable overripening and of inadequate preparations for the drying and storage of harvested grains.

The production of the chief row crops, sugar beets, corn, and potatoes, is also expected to be higher this year than in 1954. Increases in acreage and adequate reserves of soil moisture are largely responsible for the favorable outlook. 24/ Because of the reported higher inputs of fertilizers and the abundant rainfall, a significant rise in the production of sugar beets is more than likely. 25/ The production of corn should also increase, barring any radical change from the normal weather pattern expected through harvesting.

Although preliminary crop estimates for Rumania in 1955 favor an increase over 1954 harvests, it is probable that a rise of not more

than 4 to 8 percent, in terms of the production of grain, can be expected, compared with the estimated Rumanian planned increase of about 11 percent in the production of grain in 1955 over that of 1954.

The expected increase in the production of grain should improve Rumania's over-all trade position in 1955-56. In 1954-55, Rumania was a net importer of food grains, 26/ but the more favorable outlook for production in 1955 should enable Rumania to become again a net exporter of food grains.

The over-all availability of food should also improve in Rumania during 1955-56 -- especially for the high-calorie foods, sugar and grain. Indications also point to a possible drop in food prices.

III. Communist China.

Weather and crop information available as of 25 August 1955 indicates that the over-all net production of food crops in Communist China will be higher than that of 1954. Favorable weather conditions during the latter part of the summer have improved prospects for increasing 1955 production of food crops well above the levels of 1954, and there is a good possibility that the Chinese Communists will attain their 1955 production target of an increase of 6.4 percent above the 1954 harvests.

The winter crops harvested last June in Communist China were reported as only fair to good -- primarily because of the cold weather and drought conditions of last winter and spring in various parts of the country. The outlook for a considerable increase in the production of summer crops, which comprise more than 70 percent of Communist China's annual production of food crops, appears very good. Most of the anticipated increases in the output of food, if achieved, will not more than offset the losses resulting from the severe floods of 1954. The net food crop loss in 1954 was estimated to be from 5 to 7 percent below 1953 production, and a 6-percent increase in 1955 will bring production back to about the 1953 level.

The fall and winter of 1954 in Communist China were characterized by severe weather as far south as the Yangtze Valley, planting problems resulting from undrained lands as an aftereffect of the 1954 floods, and drought conditions in virtually all areas of the country except the Yangtze Valley and Manchuria.

In the spring and summer of 1955 there was a severe drought in South China and heavy precipitation along the lower reaches of the Yangtze Valley. The spring drought in South China, particularly in the province of Kwangtung, was reported as the worst in 90 years. Because of lack of rainfall the planting of early rice crops, which normally begins in February, was delayed in some areas as late as April and May. Heavy rainfall in May alleviated the condition somewhat, but not enough to avoid considerable losses and low yields.

It was reported that despite the very dry spring, good winter wheat crops were harvested in Central China and North China. Yields were above average in Anhwei, Shensi, Honan, and Hopeh Provinces. Hupeh Province, which bore the brunt of the 1954 flood, showed no increase in production.

Although the summer rainfall along the lower Yangtze Valley in 1955 was less than in 1954, it posed a serious flood threat in July. With the exception of some minor flooding, however, there was little damage to summer crops. The rainfall was beneficial in that it provided sufficient water for irrigating the expanded acreage of intermediate and late rice crops and other summer crops. Reports indicate that these crops were very good.

In Manchuria, crop prospects appear to be about average, but production will probably be below the exceptionally good production of 1954.

In general, the agricultural situation in Communist China during 1955 has been characterized by an increased emphasis on the expansion of the area of cultivated land; increasingly bitter competition for land among grains, cotton, and edible oilseeds; a slower pace in the organization of Agricultural Producers' Cooperatives until after the fall harvests; stepped-up efforts to increase the production of those items, such as meat and oilseeds, needed by the Sino-Soviet Bloc; and an increase in the production of all crops.

It is already evident that in 1955 the state will set quotas for the procurement of grain from each farm, a departure from the general 1954 practice of collecting grain that was considered surplus to the needs of the farmers. The long-term outlook for farm production incentives, however, is not bright.

According to the Peiping regime, the state procured 44.6 million metric tons of husked grain and soybeans in the food year 1 July 1954 through 30 June 1955. Of this amount, 18 million metric tons were returned to the rural markets, and 22.5 million metric tons were released to urban markets. In the coming crop year, Communist China plans to maintain food procurement at about the 1954-55 level while reducing allocations to rural markets. In this way the Communist regime hopes to increase the grain supply to the urban markets and thus to offset somewhat the opposition to the new rationing program.

Agricultural failures in the past have prevented the Chinese Communists from creating large food reserves. Because of a poor harvest in 1954 and the consequent widespread food shortages, the government has had difficulty in acquiring enough food for its more important needs.

In view of the limited amount of capital investment that the Chinese Communists are willing to allocate to agriculture, the long-range prospects for agricultural production are not good. If this policy is continued, there probably will be little or no increase in per capita consumption of food over the next 10 years.

IV. North Vietnam.

Weather and crop information available as of 5 September 1955 indicates that North Vietnam again is facing a major setback in its food supply.

In those areas of Indochina controlled by the Viet Minh, there were severe drought conditions during the crop year, and grain seeded in the fall of 1954 for harvest in early 1955 (May and June) was adversely affected. This drought also affected crops to be harvested in October. The emphasis placed on the expansion of acreage and on the priority restoration of irrigation systems was not sufficiently effective to offset the drought damage which reduced the harvests in May and June.

The Viet Minh claimed that in some areas production goals were met, but they admitted that most of North Vietnam suffered from poor harvests. In addition, the premature consumption of spring crops by hungry peasants has tended to accentuate the continuing shortage of rice in both urban and rural areas.

Prospects for the fall harvest (October) also appear to be poor. By 5 September, heavy rains in the interior mountains had raised the water levels of the Black and Claire Rivers, the two principal tributaries of the Red River, to 55 and 73 feet, respectively. The normal high-water level of these two rivers is from 9 to 10 feet. Upstream the Red River was rising at the rate of 5 inches an hour, and in the Tonkin Delta the water level at Hanoi was already at a flood level of 32 feet.

There have been no reports of breaches in dikes and no information about the flood-fighting ability of the government, but substantial flooding of agricultural lands appears inevitable, with effects disastrous to the production of fall rice. Such a loss would be a major setback for North Vietnam, which is already suffering from three consecutive crop failures.

APPENDIX

SOURCE REFERENCES

Evaluations, following the classification entry and designated "Eval.," have the following significance:

Source of Information	Information
Doc. - Documentary	1 - Confirmed by other sources
A - Completely reliable	2 - Probably true
B - Usually reliable	3 - Possibly true
C - Fairly reliable	4 - Doubtful
D - Not usually reliable	5 - Probably false
E - Not reliable	6 - Cannot be judged
F - Cannot be judged	

"Documentary" refers to original documents of foreign governments and organizations; copies or translations of such documents by a staff officer; or information extracted from such documents by a staff officer, all of which may carry the field evaluation "Documentary."

Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this memorandum. No "RR" evaluation is given when the author agrees with the evaluation on the cited document.

---

1. CIA. CIA/RR IM-412, Outlook for Agricultural Production in the Sino-Soviet Bloc, 1955, 15 Jul 55. S/NOFORN.
2. BBC. Summary of World Broadcasts, no 640, 18 Jul 55, U. Eval. RR 3.
3. CIA. FDD, Summary, no 367, p. 2. C. Eval. RR 3.
4. [redacted]
5. CIA. CIA/RR MP-122, Preliminary Estimate of 1955 Crop Prospects and Agricultural Production in the Sino-Soviet Bloc, 17 Jun 55. S.

FOIAb3b1

25X1X7A

6. [redacted]

7. CIA. FDD, Summary, no 605. C. Eval. RR 3.
8. CIA. CIA/RR MP-122 (5, above).
9. State, Prague. Dsp 22, 15 Jul 55. U/OFF USE. Eval. RR 3.

FOIAb3b1 10. [redacted]

11. Ibid., no 172, 2 Sep 55, p. HH 2. U/OFF USE. Eval. RR 3.
12. Ibid., no 175, 8 Sep 55. U/OFF USE. Eval. RR 3.
13. CIA. FDD, Summary, no 605, 5 Aug 55. U/OFF USE. Eval. RR 3.
14. CIA. CIA/RR MP-122 (5, above).

FOIAb3b1 15. [redacted]

16. CIA. CIA/RR MP-122 (5, above).
17. CIA. CIA/RR IM-412 (1, above), p. 21, 15 Jul 55. S/NOFORN.
18. State, Warsaw. T 121, 25 Aug 55. U/OFF USE. Eval. RR 3.

FOIAb3b1 19. [redacted]

20. US Weather Bureau. Daily Weather Maps. U. Eval. RR 1.
21. CIA. FDD, Summary, no 615, 12 Aug 55, p. 14. U/OFF USE. Eval. RR 3.
22. CIA. CIA/RR MP-122 (5, above).

FOIAb3b1 23. [redacted]

24. Ibid., no 155, 10 Aug 55. U/OFF USE. Eval. RR 3.
25. Ibid., no 77, 20 Apr 55. U/OFF USE. Eval. RR 3.
26. CIA. ORR Project 21.450, The 1954-55 Food Situation in the Sino-Soviet Bloc (to be published). S/NOFORN.